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Contra Leaders Deny Receiving Funds

No Swiss Accounts, Says Cruz; Link Suggested to Money for Rebel Air-Drop Operation

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Washington Post Foreign Service

MIAMI, Nov. 25—Top leaders of the U.S.-backed Nicaraguan rebels denied today that they had received the \$10 million or more in funds from arms sales to Iran described in Washington by Attorney General Edwin Meese III.

"We have not been party to any such transactions," said Adolfo Calero, the head of the largest rebel force, addressing a press conference several hours after the appearances by Meese and President Reagan. "I am denying that we have received or used this money that's being talked about."

The leaders did not, however, rule out the possibility that the rebels, known as contras, could have benefitted from aid handled entirely by persons outside their organization and without their knowledge. They denied having held or used any Swiss bank accounts to receive funds.

"We have not been party to any such transactions," said Arturo Cruz, a member along with Calero of a triumvirate that heads the main contra alliance, the United Nicaraguan Opposition (UNO).

Calero said the contras have often received anonymous donations in cash and equipment from supporters he believed were private. But he said the donations did not amount to more than \$1 million in 1986. He said the bulk of the assistance the contras received this year came from \$27 million State Department humanitarian aid.

"I don't know anything about the Iranian thing," Calero said. "We weren't mixed up in it."

However, in response to a question about a secret air resupply operation run this year from El Salvador for the contras, Calero said, "That was a secret operation, and I don't know all the secrets."

A diplomatic source in San Jose, Costa Rica, said revelation of the Iranian funding arrangement may have provided an answer to questions about financing of that operation, which was disclosed last

month when a C123K cargo plane was shot down during a weapons drop over Nicaragua.

A survivor of the flight, Eugene Hasenfus of Marinette, Wis., said he assumed the program was organized under the aegis of the Central Intelligence Agency, because most of those involved were former CIA employees. The Reagan administration, however, declared it had no connection with the supply flights and refused to reveal how they were financed.

Calero, when asked whether the contras had ever received any funds from Israel, responded, "Not that I know of."

"We have no idea how we have become involved in this," said Calero, who returned this morning from Honduras. He was to have attended a meeting in San Jose of UNO but was refused a visa by the Costa Rican government.

Revelation of the clandestine funding arrangement put the insurgency under a cloud of doubts and dismay, Washington Post correspondent Edward Cody reported from San Jose. The news from Washington swiftly eclipsed political discussions at the UNO meeting and focused attention instead on prospects for further support in Congress for the four-year-old guerrilla war.

Calero, the principal fund-raiser for the contras, did say of the sums in question, "With a money transfer, you don't necessarily know who makes it." He acknowledged knowing retired major general Richard V. Secord, who has been named as a possible link between the arms funds and the contras, but said Secord "had no role in my operation whatsoever."

Calero spoke warmly of Marine Lt. Col. Oliver North, the National Security Council staff member who was fired today, calling him "a good American, a patriot, a very efficient man." But Calero denied that North had been "running our war" or was the contras' main contact in Washington.

Cruz said he does not have a registered signature in any foreign

bank on behalf of the United Nicaraguan Opposition. Of the time when the funds supposedly were made available, he said: "Our situation then was one of extreme poverty. Nothing came in of any size that I can remember."

Cody, reporting from the UNO meeting in San Jose, added:

An envoy observing the session said of the impact of the funds revelations, "This is another factor that reduces people's faith and credibility in the administration and the program. 'It certainly makes for a very shadowy future for the program next year.'"

The discovery of a back-door funding operation came just as the rebel movement was entering what its leaders and U.S. backers hoped would be a decisive escalation of fighting in Nicaragua because of \$100 million in recently renewed open U.S. aid. The two days of discussions here, by the UNO were designed to elaborate a political platform that would increase the movement's legitimacy as the war grew.

The sense of momentum stemmed mainly from the \$100 million voted openly by Congress. The new aid, rebel officials had said, was ending two years during which Congress barred U.S. government funding for the guerrillas' military activities and approved only \$27 million for what was described as nonlethal assistance.

The cutoff was widely cited as the main reason the guerrillas, estimated to number about 10,000, have been unable to maintain a significant presence inside Nicaragua.

Alfonso Robelo, the third UNO director, said two months ago that the rebel forces, often called contras, were suffering severely in their Honduran bases from shortage of military supplies because the new U.S. aid had yet to arrive. Calero complained two weeks ago in Washington that the Reagan administration was being too slow in getting the new aid to the camps.

Announcement now that between \$10 million and \$30 million had gone to rebel accounts from the Iranian arms purchases, therefore,

raised a number of questions about how the money was spent and who handled it.

Professions of ignorance similar to Calero's in Miami came from leaders of the rebel movement who were gathered here for the UNO assembly.

"I don't know anything about it," said Indalecio Rodriguez, a director of the main U.S.-funded guerrilla group, the Nicaraguan Democratic Front. I have no comment on this. It would only be a lie."

Enrique Sanchez and Edmundo Tefel, two prominent civilian backers of the Honduras-based forces of the front, also said they knew nothing of the Iranian funding arrangement. Leonardo Somarriba, who heads the UNO office in Washington, declared, "To my knowledge, there have been no deposits in UNO accounts from these funds."

But Donald Lacayo, the Democratic Front's representative in Costa Rica, said rebel leaders often spend money without knowing where it comes from. "There are different resources, for political activities, for military activities," he said. "We don't necessarily have to know the sources."

Administration officials previously had acknowledged encouraging that they described as private fund-raising of the kind often referred to by Calero. Reports in Washington described North, the National Security Council official, as a coordinator for these fund-raising efforts.

Sandinista officials in Nicaragua frequently dismissed these accounts. They maintained money for the rebels was coming from the CIA or some other U.S. government agency through subterfuges that clouded the source. No Sandinista had suggested, however, that U.S. arms sales to Iran were providing the money.

[In Managua, President Daniel Ortega told visiting European legislators the action was "totally illegal." Reagan "knew what was happening, so he is deceiving the . . . Congress and is violating American and international laws." The Associated Press quoted him as saying.]